



OFFICE OF THE
UTAH STATE AUDITOR

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Deferred Outflow/Inflows Identified by GASB

1. GASB 53 – Hedging Derivatives – Change in fair value of a derivative used as part of an effective hedge. Hedges are designed to minimize volatility, derivatives typically are reported at fair value; however if the derivative is designed to hedge against volatility the hedge derivative is reported at cost and show increases and decreases in fair value as a deferred.
 - a. Deferred Outflow – Accumulated decrease in fair value of hedging derivatives
 - b. Deferred Inflow – Accumulated increase in fair value of hedging derivative
2. GASB 60 – Service Concession Arrangements – When consideration is received from the operator (less any contractual obligations reported as liabilities), recognize the consideration as a deferred inflow and amortize over the life of the agreement.

GASB 65

Asset to Deferred Outflow

3. Para. 8, 10 – Resources provide by a grantor to a grantee when the only eligibility criterion that has not been met by the recipient is a time requirement.
4. Para. 5-6 – Excess of the reacquisition price of refunded debt over its net carrying amount.

\$ 95	Outstanding debt
<u>\$100</u>	New debt issued
\$ 5	Deferred outflow (amortize over the life of the refunded debt)
5. Para. 11, 13 – Payments made within the financial reporting entity to purchase the right to future revenues.
6. Para. 16, 18 – A loss on a sale-leaseback transaction.
7. Para. 21-27 – Certain items associated with lending activities and mortgage banking activities

Asset to Outflow

8. Para. 14-15 – Debt issuance costs (other than prepaid insurance) GASB has decided if we pay someone to issue bonds the services were provided in the period the bonds were issued. This is a BIG CHANGE, write them off.
9. Para. 16-17 – Initial direct costs of operating leases. Services are provided in the period the operating lease was entered into.
10. Para. 19-20 – Acquisition costs related to insurance activities
11. Para. 21-27 – Certain items associated with lending activities and mortgage banking activities

Liability to Deferred Inflow

12. Para. 30 – Revenue of a governmental fund that is not recognized solely because it is not yet considered to be available. Under modified accrual we recognize if revenue is measureable and

available, if it is not available in the period it should be deferred. Unavailable revenues will be deferred inflow going forward.

13. Para. 5-6 – The excess of the net carrying amount of refunded debt over its reacquisition price. Normally we issue more debt than the carrying amount of the old debt, but not always, it could be a credit, when refunding debt for cheaper debt we issue less new debt than the carrying value of the refunded debt the difference should be a deferred inflow.

\$100 Outstanding debt

\$ 95 New debt issued

\$ 5 Deferred inflow

14. Para. 8-9 – Property taxes received or recognized as a receivable prior to the period they were intended to finance. (non-exchange revenues received prior to the period)
15. Para. 8-9 – Other imposed non-exchange revenues received or recognized as a receivable prior to the period when the use of the resources is either required or first permitted.
16. Para 8, 10 – Resources received from a grantor when the only eligibility criterion that has not been met by the recipient is a timing requirement.
17. Para. 11-12 – Proceeds from the sale of future revenues
18. Para. 5, 7 – A reduction in the present value of the payments due from the lessee under a capital lease as a result of the lessor's passing on the economic advantages of a refunding of tax-exempt debt. (State financing authority issues debt and distributes to local governments in form of capital lease, state refinances debt, lower rate, state passes on saving to local governments. It reduces the liability so debit the liability and credit deferred inflow)
19. Para. 11, 13 – Payments received within the financial reporting entity for the right to future revenues.
20. Para. 16, 18 – Gain on sale-leaseback transaction
21. Para. 21-27 – Certain items associated with lending activities and mortgage-banking activities.

Liability to Inflow

22. Para. 22, 26 – Loan origination fees received (other than the portion related to points) in connection with lending activities.
23. Para. 21-27 – Certain items associated with lending activities and mortgage banking activities.

GASB 68

24. The portion not included in collective pension expense should be included in deferred outflows or deferred inflows.
- a. Cost Sharing – Changes in the employer's proportion of the collective net pension liability since the prior measurement date.
 - b. Differences between actual and expected experience with regard to economic or demographic factors.
 - c. Changes of assumptions about future economic or demographic factors or other inputs.
 - d. Differences between projected and actual earnings on pension plan investments.
 - e. Contributions to the pension plan from the employer subsequent to the measurement date of the net pension liability and before the end of the reporting period.

Net Pension Liability goes up \$100 – Assume applicable guidance is to amortize over a 5 year closed period.

Expense	\$20	
Deferred Outflow	\$80	
Net Pension Liability		\$100

Net Pension Liability goes down \$100 – Assume applicable guidance is to amortize over a 5 year closed period.

Net Pension Liability	\$100	
Gain	\$20	
Deferred Inflow		\$80

GASB 69

25. In an acquisition, when consideration provided exceeds the net position acquired (similar to purchasing goodwill) – recognize as a deferred outflow.